

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2094 - HB 1970

February 10, 2014

SUMMARY OF BILL: Enacts the "Military Education Assistance for Tennessee Act". Requires veterans from a branch of the U.S. armed forces or the National Guard to be charged no more for tuition and fees than the maximum tuition reimbursement provided by the Post-9/11 GI Bill provided that the veterans meet certain requirements. Grants members of the Tennessee State Guard (TSG) one free course per term at any state supported college, university, technology center, Tennessee Foreign Language Institute, or courses taken through the Tennessee Board of Regents (TBR) online degree program. Limits tuition waivers for TSG members to 25 per year state-wide. Requires TSG members who receive the tuition waiver to provide proof of current active duty membership with at least one year of prior service in the TSG.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$17,500/FY14-15

\$18,600/FY15-16

Exceeds \$18,600/FY16-17 and Subsequent Fiscal Years

Assumptions:

- Reduced tuition and fee revenue will be replaced with increased state appropriations rather than an increase in tuition and fees.
- According to the University of Tennessee (UT) and TBR, out-of-state veterans will not be charged more for tuition and fees than what is paid by the G.I. Bill, which reimburses for in-state tuition only.
- In their initial year of enrollment, new out-of-state veteran enrollees will be counted as in-state students for the purposes of tuition.
- No increase in state expenditures for new military veteran enrollees as a result of this bill.
- In FY13-14, the average tuition waiver at a TBR university per course is \$747; at a TBR community college \$417; and at a UT institution \$978.
- TBR estimates that each year, 10 TSG members will take a course at a TBR university; 10 TSG members will take a course at a TBR community college; and five TSG members will take a course at a UT institution.
- Using the FY13-14 tuition waivers, the increase in state expenditures for TBR institutions would have been \$11,640 [(\$747 x 10) + (\$417 x 10)] in FY13-14 under this bill. The recurring increase in state expenditures for UT institutions would have been

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\$4,890 ($\978×5) in FY13-14 under this bill. The total recurring increase in state expenditures would have been \$16,530 ($\$11,640 + \$4,890$) in FY13-14 under this bill.

- With an annual tuition increase of six percent, the increase in state expenditures in FY14-15 is estimated to be \$17,522 ($\$16,530 \times 106.0\%$).
- The increase in state expenditures in FY15-16 is estimated to be \$18,573 ($\$17,522 \times 106.0\%$).
- The recurring increase in state expenditures in FY16-17 and subsequent fiscal years is estimated to exceed \$18,573.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

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